
City of Reading City Council

Regular Meeting Monday, March 9, 2009

A regular meeting of City Council was held on the above date for the transaction of general business.

Vaughn D. Spencer, President of Council, called the meeting to order.

The invocation was given by Rev. Gustavo Romero, Hope of the Nations Christian Center.

All present pledged to the flag.

ATTENDANCE

Council President Vaughn Spencer
Councilor Steve Fuhs, District 1
Councilor Goodman-Hinnershitz, District 2
Councilor Sterner, District 3
Councilor Marmarou, District 4
Councilor Maria Baez, District 5
Mayor T. McMahon
City Auditor D. Cituk
City Solicitor C. Younger
City Clerk L. Kelleher
Managing Director R. Hottenstein
Public Works Director C. Jones
Sgt. at Arms Captain R. Schafer
Mayor's Assistant C. Heminitz

PROCLAMATIONS AND PRESENTATIONS

A Mayoral Proclamation was issued to John Kramer in recognition of the 15th Anniversary of the Center for Community Leadership. President of Albright

College Lex MacMillan joined in the acceptance of the proclamation.

A Council Commendation was issued to Brianna Savini for her work to combat bullying in schools.

PUBLIC COMMENT

Council President Spencer announced that three citizens were registered to address Council on non-agenda matters. He inquired if Council objected to suspending the rule requiring comment on non-agenda matters at the end of the meeting. No one objected, therefore, the rule requiring non-agenda comment at the end of the meeting was suspended. Council President Spencer reminded those registered about the remaining speaking rules.

Gerrill Hill, of Union Street, expressed the belief that the City's earned income tax rates are unreasonable. He asked City Council to consider reducing the rate currently set at 2.7%.

Ernest Schlegel, of Pear Street, expressed disgust with the articles and editorial opinions appearing in the Reading Eagle. He stated that these articles and editorials seem to insert the newspaper into the political process. He stated that the local newspaper should stick to reporting news and not attempt to drive public opinion. He expressed his belief in the position City Council has taken to oppose the sale of the airport land, purchased using City tax dollars approximately 40 years ago. He also questioned the negative attitude the County Commissioners have of City Council. He asked the Commissioners to remember that the City of Reading is the County seat and the residents of Reading pay County taxes.

Eric Byrne, of Shillington, stated that he is a real estate investor who owns rental properties in Reading. He described his career in real estate investment inside and outside Reading. He stated that he purchased rental properties in Reading in May 2008 and explained that he was advised not to pay the various rental permit and license fees until Codes contacted him to inspect the properties. He expressed the belief that the placarding process used by Codes is unfair.

APPROVAL OF AGENDA & MINUTES

Council President Spencer asked Council to consider the agenda for this meeting including the legislation listed under the consent agenda heading and the minutes from the February 23rd regular meeting. He noted the need to add a

resolution to the agenda that will rescind the agreement providing water-sewer service without charge to the Reading School District.

Councilor Marmarou moved, seconded by Councilor Fuhs, to approve the minutes from the February 23rd regular meetings and the agenda, as amended, including the legislation listed on the Consent Agenda. The motion was approved unanimously.

Consent Agenda

Resolution 26-2009- That the Mayor of the City of Reading is authorized to file an application for “RACP” funds in the amount of \$ 6.0 million dollars (\$6,000,000.00) for the Reading Parking Authority and the 776 car structured parking garage for the Double Tree Hotel Project and to execute any and all necessary documents and to carry out all procedures as required by the Commonwealth of Pennsylvania **(Law)**

ADMINISTRATIVE REPORT

Mayor McMahon highlighted the report distributed to Council at the meeting covering the following:

- Graffiti Press Release noting the detention of 7 juveniles charged with graffiti vandalism
- The Administration’s progress on refining the City’s finances
- A recap of the Centre Park Town meeting

Councilor Fuhs questioned the Mayor about the possibility that the State legislators would approve the one percent increase in the State sales tax to support local government. Mayor McMahon expressed the belief that the sales tax increase could benefit the City and County. He expressed support for the proposed tax increase which would provide one-half percent to the County and the remainder to be split by the County municipalities based on population.

Councilor Goodman-Hinnershitz noted that, at times, graffiti causes permanent damage to property. She expressed the belief in the use of murals to deter graffiti.

AUDITOR’S REPORT

City Auditor Dave Cituk read the report distributed to Council at the meeting covering the following topics:

- The start of the 2008 external audit by Herbein & Co.
- Property assessments, exemptions and abatements between 1994 through 2009
- Upcoming reports on the 2008 DCED Financial Survey and Pension Fund
- 2009 Tax exempt properties

Councilor Sterner stated that the rise in tax exempt properties and reduction in overall tax assessment of City properties is no surprise. Councilor Goodman-Hinnershitz stated that this report affirms the need for the City to identify more reliable revenue resources.

ORDINANCES FOR FINAL PASSAGE

Bill No 10-2009– increasing the salary of the Human Resources Director to \$80,800, a 1% increase, retroactive to November 13, 2008 (**Man Dir**)

Councilor Marmarou moved, seconded by Councilor Sterner, to enact Bill No. 10-2009.

Managing Director Hottenstein stated that this is the minimum salary increase required by the Administrative Code. He announced that he and the Solicitor will not be taking this one percent increase.

Councilor Sterner recognized the difficult financial times but questioned the sense behind increases for department directors when other management employees will not receive any increase. He also suggested that the Administration request concessions from the collective bargaining units.

Councilor Fuhs congratulated the Managing Director and Solicitor for refusing the salary increases.

Council President Spencer suggested amending the Administrative Code to either eliminate the one percent increase or to provide it to all management employees. Councilor Goodman-Hinnershitz stated that she will support the increase but agreed with the need to change the language in the Administrative Code.

Bill No. 10-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner – 5.

Nay: Spencer, President - 1.

INTRODUCTION OF NEW ORDINANCES

Ordinance - an ordinance amending the City of Reading Code of Ordinances Chapter 6, Part 7, School Time Curfew, to add a new section pertaining to prohibited conduct of juveniles on school days and adding this new section to the enforcement procedure; changing the end times for prohibited conduct and defining grade school, as attached in Exhibit A **(Law)**

Ordinance - The Mayor is authorized to execute a deed, and any other required documents, to convey the premises situate at 1019 Penn Street, 1021 Penn Street, 1016 Court Street, 1022 Court Street and 1028 Court Street, Reading, Berks County, Pennsylvania, from the City of Reading to the Reading Redevelopment Authority **(Law)**

Ordinance – amending the City of Reading Codified Ordinances Section 10-1212.03.2 adding necessary language to establish a non-refundable application fee for all businesses that sell food in the City of Reading **(Law)**

Ordinance - amending Bill No 39-2008 creating the Reading Local Redevelopment Authority by redefining the composition and establishing term expirations **(Council Staff & Law)**

Ordinance - amending Chapter 11 Housing of the City of Reading Codified Ordinances by making changes to the Housing Permit Ordinance **(Law)**

RESOLUTIONS

Resolution 27-2009 – appointing Steven McCracken to the Reading Regional Airport Authority **(Admin Oversight)**

The Administrative Oversight Committee moved to adopt Resolution No. 27-2009.

Resolution No. 27-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Spencer
President – 6.

Nay: None - 0.

Resolution No. 28-2009 - repealing the resolution eliminating the charges for water-sewer utility service to the Reading School District. (Fuhs)

Councilor Goodman-Hinnershitz moved, seconded by Councilor Baez, to adopt Resolution No. 28-2009.

Councilor Fuhs noted that the City's increasing financial difficulties require this agreement to change. He expressed the belief that although the agreement at one time represented a fair exchange, the balance has now shifted. He stated that the meeting with District officials was instructive on their financial issues; however, the District now receives substantial State assistance and the City is left on its own.

Councilor Fuhs noted that the Reading Area Water Authority decided to begin charging the District for water due to the City's request for an increase in the meter surcharge. He placed the meter surcharge and 2008 property tax increase on the backs of District officials.

Councilor Goodman-Hinnershitz noted that the agreement with the District allows for an annual review period. She also noted that when the agreement was approved in the mid 1980s, at a time when the City was in a more secure financial position and was attempting to help the District to hold the line on property tax increases. She stated that this situation has changed. She noted that the District's population has almost doubled, requiring the addition of several new school buildings. She suggested that the repeal of the existing agreement will allow for a renegotiation of the agreement.

Councilor Sterner noted that the Reading School District is the only District in the State who does not pay for their water-sewer utility.

Council President Spencer described his work to move the District and Water Authority from their opposing positions. He noted that the Authority's position stemmed from the District's delay in installing the water meters, as mandated by the PaDEP. He inquired how many times the City can request financial assistance from the Water Authority. He expressed the belief that charging the District for water-sewer service could result in increases in the District's property tax rate. He stated that the Authority's claim that the District receives free water is misplaced, as all who use the water system cover the costs to process and transport the water-sewer service for District and City buildings. He expressed his belief that the District should only be charged for water-sewer charges at

schools built after the 1984 went into effect.

Councilor Goodman-Hinnershitz stated that several good points were made while considering this resolution. She expressed the belief that the repeal of the existing agreement will start the 90 day renegotiation period.

Councilor Fuhs noted that the District's threat of a property tax increase is faulty as the City will cover the cost of the Waste Water Treatment project without an increase in property taxes. Council President Spencer disagreed noting that the cost of the improvements at the Waste Water Treatment Plant will be covered by increases in the sewer utility rate.

Councilor Baez called for the question.

Resolution No. 28-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner – 5.

Nay: Spencer, President - 1.

COUNCIL COMMENT

Councilor Goodman-Hinnershitz noted the upcoming neighborhood meeting at 16th and Haak Elementary School on March 18th at 6:30 p.m. to discuss the Cotton Street Water Main project. She stated that this project will improve water service to this area.

Councilor Goodman-Hinnershitz also announced the Southeast People's Voice meeting scheduled for this Thursday at St. John's Church.

Councilor Fuhs noted the upcoming tests to study the impact the tunnel project will have on the stability of the Hazel Street area.

Councilor Sterner congratulated those receiving commendations and proclamations tonight. He also thanked Mr. Schlegel for his supportive comments.

Councilor Marmarou described the proposed consolidation of City precincts in the 13th, 15th and 17th wards. He stated that the Commissioners placed the proposed consolidations on hold.

Council President Spencer noted his agreement with the concerns expressed by the Hazel Street residents. He also agreed that further tests regarding the stability of this area are needed before Council can make a decision on the use of a gravity tunnel to replace the existing sewer force main. He stated that 80% of the material treated at the Waste Water Treatment Plant flows through the existing force main.

Council President Spencer stated that the EIT rate cannot be reduced at this point in time. However, he stated that a reduction may be possible if the City succeeds in improving its collection of other taxes and fees. He agreed that the City's high EIT rate has caused people to move outside the City.

Council President Spencer reviewed the upcoming meeting schedule.

Councilor Goodman-Hinnershitz moved, seconded by Councilor Marmarou, to adjourn the regular meeting of Council.

Linda Kelleher CMC, City Clerk